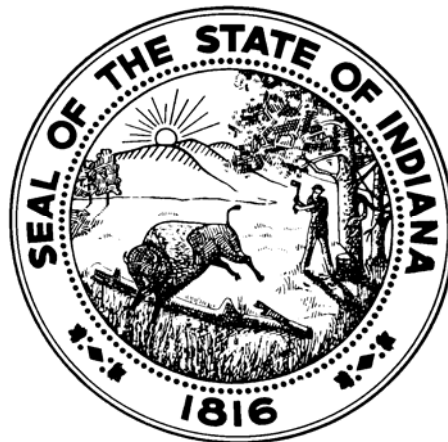


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBER 78  
LAGRANGE, INDIANA

January 1, 2004 to December 31, 2004



**FILED**  
6/30/06



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## OFFICIALS

### Office

### Official

### Term

Chairman, Bureau of Motor  
Vehicles Commission

Gerald Coleman  
Mary DePrez  
Joel Silverman

01-06-02 to 02-29-04  
03-01-04 to 01-09-05  
01-10-05 to 01-11-09

Branch Manager

Judi M. Clark  
Vacant  
Alicia B. Houts

01-01-04 to 09-07-05  
09-08-05 to 09-17-05  
09-18-05 to 12-31-05



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE BUREAU OF MOTOR VEHICLES COMMISSION

We have examined the Schedule of Collections and Distributions of the State Bureau of Motor Vehicles Commission License Branch Number 78 (Branch) for the period of January 1, 2004 to December 31, 2004. The Branch's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Collections and Distributions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Branch for the year ended December 31, 2004, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

November 1, 2005

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
 LICENSE BRANCH NUMBER 78  
 LAGRANGE, INDIANA  
 SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS  
 January 1, 2004 to December 31, 2004

	<u>Amount</u>
Collections:	
Registrations	\$ 3,101,119
Titles	689,534
Drivers licenses	106,891
Watercraft	142,428
Miscellaneous	<u>255</u>
Total	<u><u>\$ 4,040,227</u></u>
Distributions:	
State fees	\$ 1,763,308
County tax	1,937,272
Commission fees	<u>339,647</u>
Total	<u><u>\$ 4,040,227</u></u>

The accompanying notes are an integral part of the schedule.

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBER 78  
LAGRANGE, INDIANA  
NOTES TO SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS

Note 1. Introduction

The Motor Vehicles Commission was created to manage the motor vehicle license branches. The Bureau of Motor Vehicles is a separate state agency which provides support services to the Commission controlled license branches. The license branches collect fees which fund the Motor Vehicles Commission. The license branches collect and forward county taxes (excise tax, wheel tax, and surtax) and state fees. The Commission has one contractual branch that is administered by an individual contractor according to Bureau policies. The Commission has developed a mobile license branch to serve the need of CDL license issuance and other special needs as they arise.

Note 2. Collections and Distributions

Each branch collects fees and taxes when vehicle and watercraft registrations, titles, and drivers licenses are sold. Fees are uniform throughout the state.

The total daily collections are deposited to a single bank account. From this account the collections are distributed to separate bank accounts which are not controlled by the license branch and belong to the state, county and Bureau of Motor Vehicles Commission.

Note 3. Banking System

The Bureau of Motor Vehicles Commission has entered into an agreement with Bank One for a cash concentration system. The system utilizes a series of individual noninterest bearing accounts (clearing accounts) from which all fees and taxes are transferred.

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
 LICENSE BRANCH NUMBER 78  
 LAGRANGE, INDIANA  
 STATISTICAL INFORMATION  
 January 1, 2004 to December 31, 2004

<u>Transactions Processed</u>	<u>Quantity</u>
Vehicle registrations:	
Passenger	13,691
Motorcycle	695
RV (housecar)	497
Light truck	7,671
Other truck	260
Farm truck	161
Tractor	45
Trailer	5,467
Semitrailer	642
School and church bus	12
Other bus	24
Other	66
	<hr/>
Total vehicle registrations	<u>29,231</u>
Drivers licenses and permits:	
Drivers licenses/learners permits	4,411
CDL licenses/CDL permits	369
Placards	576
Other	3,297
	<hr/>
Total drivers licenses and permits	<u>8,653</u>
Titles:	
Vehicles	9,292
Watercraft	340
	<hr/>
Total titles	<u>9,632</u>
Total watercraft registrations	<u>1,991</u>



STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBER 78  
LAGRANGE, INDIANA  
EXAMINATION RESULTS AND COMMENTS

DEPOSIT COMPOSITION

The composition of cash, checks and credit card totals on the cash register tapes did not agree with the breakdown on the bank deposit tickets and credit card deposit forms on 70% of the invoices tested.

Transactions must be entered into the register according to the correct department and payment category keys at all times. (Branch Operations Policies and Procedures Manual, Periodic Reconcilements Chapter) Indiana Code 5-13-6-1 states in part: "Public funds . . . shall be deposited in the same form in which they were received."

BANK ACCOUNT LONG

The bank account was reconciled and found to exceed the record balance by \$40.

All accounts are required to be balanced on a monthly basis. All unidentified cash shortages and overages of \$20 or more must be reported to Branch Operations before the next Trial Balance is performed. (Branch Operations Policies and Procedures Manual, Journal Chapter, Miscellaneous Branch Procedures Chapter)

TRANSFER OF FUNDS

Twenty-eight of two hundred forty-three invoices were not transferred in accordance with the transfer schedule developed by the Bureau of Motor Vehicles.

All transfers must be made in accordance with the Bureau's prescribed transfer schedule. (Branch Operations Policies and Procedures Manual, Journal Chapter)

AFFIDAVIT OF ELIGIBILITY FOR MUNICIPALLY OWNED LICENSE PLATES

Affidavits of eligibility for municipally owned license plates (State Form 45616) were not completed or on file with the branch for three of the five municipal plate registrations reviewed.

An affidavit of eligibility for municipally owned license plates (State Form 45616) must be completed or on file for each municipal unit issued a municipal license plate. (Bureau of Motor Vehicles Registration Manual)

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBER 78  
LAGRANGE, INDIANA  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

ACCOUNTABLE ITEMS

The following schedule details missing items revealed during a comparison of actual inventory of accountable items to the Open Inventory Report of the State Bureau of Motor Vehicles at December 31, 2004. No evidence was found to indicate these items have been sold.

<u>Year</u>	<u>Plate Type</u>	<u>Plate Number</u>
2003	Semi-Trailer 1 year	3981
2003	State Representative	187
2004	State Representative	187
2007	Personalized	DOGSTOY
2007	Truck 7,000	605415A
2007	Truck 7,000	605932A

A listing of the items that are to be accounted for to the State Board of Accounts is included in the Branch Operations Policies and Procedures Manual. (Branch Operations Policies and Procedures Manual, Supplies and Equipment Chapter)

REDECLARED WEIGHT

Farm Truck 20 plate 822D could not be found in the Hold for Audit Inventory. The plate had been replaced with Farm Truck 30 plate 1815F in a reweight transaction.

When a plate has been replaced due to reweighting, the new registration stub/receipt should be attached to the original registration (photocopy or BOSS inquiry) and placed with the plate in the Hold for Audit items. (Branch Operations Policies and Procedures Manual, Branch Filing Procedures Chapter)

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBER 78  
LAGRANGE, INDIANA  
EXIT CONFERENCE

The contents of this report were discussed on November 1, 2005, with Shannon K. Parent, Interim Branch Manager. The official concurred with our findings.